CENTRAL TEXAS COLLEGE
RSTO 2301
PRINCIPLES OF FOOD AND BEVERAGE CONROLS

Semester Hours Credit: 3

INSTRUCTOR: ________________

OFFICE HOURS: ______________

I. INTRODUCTION

A. A study of financial principles and controls of food service operation including review of operation policies and procedures. Topics include financial budgeting and cost analysis emphasizing food and beverage labor costs, operational analysis, and international and regulatory reporting procedures.

B. This course, RSTO 2301, Principles of Food and Beverage Controls, is an elective course for the Restaurant and Culinary Management and Hotel Management Specialization Degree. It is also a required course in the Food and Beverage Management Degree Plan and the Food and Beverage certificate.

C. This course is occupationally related and serves as preparation for jobs in the Food and Beverage Management field.

D. Prerequisite: None

E. Alphanumeric coding used throughout this syllabus denotes integration of the Secretary’s Commission on Achieving necessary Skills (SCANS) occupational competencies (CA, C1, 2, B, etc.) for this course. The instructor will ensure the designated SCANS competencies and skills are addressed in the course. A detailed description of each competency/Skill is contained in “A SCANS Report for America 2000,” Executive Summary is furnished.

II. LEARNING OUTCOMES

1. Upon successful completion of this course, RSTO 2301 Principles of Food and Beverage Controls, the student will be able to:

   A. Define and provide an example of the following types of costs: fixed, directly variable, semi-variable, controllable, non-controllable, unit total, prime, historical and planned. (C2, C5, C6, F1, F2, F12)

   B. Describe the significance of cost-to-sales relationships and identify several cost-to-sales ratios important in food and beverage management. (C5, F1,
C. Explain the value of comparing current cost-to-sales ratio with those for previous periods. (C5, F1, F2, F3, F4)

D. Define control and provide examples of its significance in food and beverage management. (F1, F2)

E. Describe the steps involved in preparing an operating budget. (C2, F1, F2, F3, F4)

F. Apply the formulas used to determine sales in dollars, sales in units, variable costs, fixed costs, profit, contribution rate, contribution margin, variable rate, and break-even point. (C2, F1, F2, F3, F4)

G. List six reasons that standard purchases specifications are important, and provide examples of specifications for both a perishable and non-perishable food item. (F1, F2)

H. Explain the difference between directs and stores and provide examples of each. (F1, F2)

I. List and explain three causes of unplanned costs that can develop while food is in storage. (F1, F2)

J. Explain the importance of establishing standards for each of the following: storage temperatures for foods, storage containers for foods, shelving; cleanliness of storage facilities, and assigned locations for the storage of each particular food. (F1, F2, F9)

K. Explain the importance of standard portion sizes, standard recipes, and stand portion cost to foodservice operations. (F1, F2, F8)

L. List and describe three standard procedures that enable managers to gain control over production volume. (F1, F2)

M. Prepare a simple monthly food cost report. (F1, F2, F3, F4)

N. Calculate cost of food consumed, cost of food sold, food cost percentage and food cost per dollar. (C5, C6, F1, F2, F3, F4)

O. Identify various causes for differences between book inventory value and actual inventory value. (C5, F1, F2)

P. List three ways an undesirable forecasted food cost percentage could be changed. (F1, F2)
Q. Describe appropriate action to take for star, dogs, plow-horses, and puzzles when changes are made to the menu. (C5, C6, C15, F1, F2, F3, F4, F8)

R. List and describe eight determinants of customer restaurant selection. (F1, F2)

S. List and explain the five most important elements of menu preparation. (F1, F2)

T. List the primary purposes for establishing beverage purchasing controls. (F1, F2)

U. Identify the objectives of controls for receiving, storing and issuing beverages. (C5, C6, F1, F2, F9)

V. Identify the two primary objectives of beverage production control. (F1, F2)

W. List four techniques for monitoring the performance of bartenders. (F1, F2)

X. List five possible reasons for differences between actual and standard beverage costs. (F1, F2, F9)

Y. Identify two important factors normally taken into account when establishing beverage sales prices. (C5, C6, C18, F1, F2, F3, F4)

Z. Explain why labor costs and labor cost percentages vary from one establishment to another. (C5, C6, F1, F2)

AA. Explain the meaning and significance of quality and quantity standards in labor control. (F1, F2)

BB. Explain how to determine appropriate staffing levels for an establishment given a table of standard staffing requirements and a sales forecast. (C5, C6, F1, F2, F4, F8)

CC. Explain the relationship of training needs assessment to the development of a training plan. (C1, C5, C6, F1, F2)

DD. Identify the five-step approach used to identify the specific causes of some deviations between actual and standard performance. (C5, C6, F1, F2)

III. INSTRUCTIONAL MATERIALS

IV. Text: The instructional materials identified for this course are viewable through www.cted.edu/books
a. Additional references may be required that are available in the Central Texas College library.

V. Course Requirements:

a. **Reading Assignments:** Read text assignments prior to class and be prepared to discuss the text material, answering instructor questions orally with well-organized thoughts and ideas. *(FA1, FA5, CC3)*

b. **Class Attendance:** (Refer to CTC Catalog, Page 54, for detailed policy). You are expected to attend each class period, be on time and stay the full class period or are counted absent. You are responsible for all course material missed due to absence. The instructor does not provide class notes for classes missed. *(FC1, FC4)*

C. A student must be present for all examinations. No make-up examinations will be given.

1. Students who know in advance they will be absent from an examination due to valid reasons must arrange to take an early examination. Unexpected absences due to illness or extenuating circumstances will require the student to see the instructor about individual make-up work in lieu of the missed examination.

D. Students without excused absences will be given a zero for the examination missed.

VI. Examinations Online

a. There will be two examinations:
   - Exam 1 (Mid-Term)
   - Exam II (Final Exam)

b. This course consists of two segments:
   i. Course registration – orientation – instructor contact.
   ii. CTC Hospitality Department specific course requirements

VII. Classroom Semester Grade Computations

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1 (Mid-Term)</td>
<td>100</td>
<td>10%</td>
</tr>
<tr>
<td>Exam 2 (Final)</td>
<td>200</td>
<td>20%</td>
</tr>
<tr>
<td>Project/Presentation/Assignments</td>
<td>300</td>
<td>30%</td>
</tr>
<tr>
<td>Quizzes 8 @ 50 points each</td>
<td>400</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1000</td>
<td>100%</td>
</tr>
</tbody>
</table>

VIII. NOTES AND ADDITIONAL INSTRUCTIONS FROM COURSE INSTRUCTOR
A. **Course Withdrawal:** It is the student’s responsibility to officially withdraw from a class if circumstances prevent attendance. Any student who desires to, or must, officially withdraw from a course after the first scheduled class meeting must file a Central Texas College Application for Withdrawal (CTC Form 59). The Withdrawal form must be signed by the student.

CTC Form 59 will be accepted at any time prior to Friday, the 12th week of classes during the 16-week fall and spring semesters. The deadline for sessions of other lengths is:

- 10 – week session: Friday of the 8th week
- 8 - week session: Friday of the 6th week
- 5 - week session: Friday of the 4th week

The equivalent date (75% of the semester) will be used for sessions of other lengths. The specific last day to withdraw is published each semester in the Schedule Bulletin.

A student who officially withdraws will be awarded the grade of “W”, provided the student’s attendance and academic performance are satisfactory at the time of official withdrawal. Students must fill a withdrawal application with the College before they may be considered for withdrawal.

A student may not withdraw from a class for which the instructor has previously issued the student a grade of “F” or “FN” for nonattendance.

B. **Administrative Withdrawal:** An administrative withdrawal may be initiated when the student fails to meet College attendance requirements. The instructor will assign the appropriate grade on CTC Form 59 for submission to the registrar.

C. **Incomplete Grade:** The College catalog states, “An incomplete grade may be given in those cases where the student has completed the majority of the course work but, because of personal illness, death in the immediate family, or military orders, the student is unable to complete the requirements for a course.” Prior approval from the instructor is required before the grade of “I” is recorded. A student who merely fails to show for the final examination will receive a zero for the final and an “F” for the course.

D. **Cellular Phones and Electronic Devices:** Cellular phones and electronic devices will be turned off while the student is in the classroom or laboratory.

E. **Americans with Disabilities Act (ADA) Disability Support Services** provide services to students who have appropriate documentation of a disability. Students requiring accommodations for class are responsible for contacting the Office of Disability Support Services (DSS) located on the central campus. This service is available to all students, regardless of location. Explore the website at [www.ctcd.edu/disability-support](http://www.ctcd.edu/disability-support) for further information. Reasonable accommodations will be given in
accordance with the federal and state laws through the DSS office.

F. Instructor Discretion: The instructor reserves the right of final decision in course requirements.

G. Civility: (FC3) Individuals are expected to be cognizant of what a constructive educational experience is and respectful of those participating in a learning environment. Failure to do so can result in disciplinary action up to and including expulsion.

H. Honesty and Integrity: (FC5) All students are required and expected to maintain the highest standards of scholastic honesty in the preparation of all course work and during examinations. The following will be considered examples of scholastic dishonesty:

1. Plagiarism: The taking of passages from writing of others without giving proper credit to the sources.
2. Collusion: Using another’s work as one’s own; or working together with another person in the preparation of work, unless joint preparation is specifically approved in advance by the instructor.
3. Cheating: Giving or receiving information on examinations.

VIII. COURSE OUTLINE

A. Unit One: Chapters 1: Cost and Sales Concepts; Chapter 2: The Control Process; Chapter 3: Cost/Volume/Profit Relationships.

1. Unit Objectives: Upon successful completion of this unit, the student will be able to:
   a. Define the terms cost and sales.
   b. Provide several examples illustrating monetary and nonmonetary sales concepts.
   c. Identify the formulas used to compute cost percent and sales prices.
   d. Describe factors that cause industry wide variations in cost percentages.
   e. Pinpoint responsibility for control in food and beverage operations.
   f. Cite eight control techniques used in food and beverage operations.
   g. List the four steps in the control process.
   h. Prepare a budget given fixed and variable costs for a restaurant.
   i. Explain why the cost-benefit ratio is significant when asking control decisions.
   j. State the cost/volume/profit equations and explain the relationship that exists among its components.
   k. Define the terms variable rate and contribution rate.

2. Learning Activities:
a. Classroom lecture/discussion  
b. Online Course  
c. Homework and other assignments designated by the instructor

B. **Unit Two:** Chapter 4: Food Purchasing and Receiving Control; Chapter 5: Food Storing and Issuing Control; Chapter 6: Food Production Control I: Portions.

1. **Unit Objectives:** Upon successful completion of this unit, the student will be able to:

   a. Outline the purchasing process in the operations of foodservice establishments.
   b. Describe how quality standards for food purchase are established.
   c. Describe the process used to determine the quantity of perishable food purchased.
   d. Determine order quantities using the periodic and perpetual order methods.
   e. Discuss the use and benefits of purchase orders.
   f. Describe the procedures for purchasing perishable and nonperishable foods at the most favorable prices.
   g. Describe the duties of a receiving clerk, and outline the essential equipment and supplies needed for proper receiving.
   h. List the categories of information contained on an invoice and the receiving clerk’s daily reports and explain the report’s function.
   i. List and explain five principal concerns that can be addressed by implementing stands for storing food.
   j. Identify optimum storage temperatures for the five classifications of perishable foods.
   k. Explain the principle of stock rotation as applied to foodservice.
   l. Distinguish between issuing procedures for directs and those for stores.
   m. Describe the process used to price and extend a food requisition.
   n. Explain the differences between inter-unit and intra-unit transfers, and give two examples of each.
   o. Identify the four methods for determining standard portion costs, and describe the type of food product for which each is used.
   p. Calculate standard portion costs using four different methods.
   q. Use cost factors derived from butcher tests and cooking loss tests to calculate portion costs.
   r. Use yield factors derived from butcher tests and cooking loss tests to determine correct purchases quantities.
   s. List the advantages and disadvantages of using standardized yield figures versus in-house yield tests.

2. **Learning Activities:**
   a. Classroom lecture/discussion  
   b. Online Instruction
c. Homework and other assignments designated by the instructor

C. **Unit Three:** Chapter 7: Food Production Control II: Quantities; Chapter 8: Monitoring foodservice Operations I: Monthly Inventory and Monthly Food Cost; Chapter 9: Monitoring Food Service Operation II: Daily Food Cost.

1. **Unit Objectives:** Upon successful completion of this unit, the student will be able to:
   a. Define the standard for controlling production volume and explain its importance.
   b. Define sales history and describe two methods for gathering the data from which a sales history is developed.
   c. List three basic approaches to arranging data in a sales history.
   d. Define popularity index.
   e. Use a popularity index to forecast portion sales.
   f. Describe the production sheet and calculate needed production for menu items.
   g. Describe a void sheet and explain its use.
   h. Complete a portion inventory and reconciliation.
   i. Describe a procedure used for controlling high-cost, proportioned entrée.
   j. Explain the importance of monitoring a foodservice operation to assess monthly performance.
   k. Describe the procedure for taking physical inventory at the end of the month.
   l. List and explain five ways to assign unit costs to a food inventory.
   m. Calculate cost of food consumed.
   n. Explain the relationship between the monthly calculation of cost of food sold and the monthly income statement.
   o. Calculate cost of food consumed, cost of food sold, food cost percentage, and food cost per dollar.
   p. Explain how computers are used to value inventories and to verify employee adherence to standard procedures for issuing food from inventory.
   q. Calculate food cost for any one day and for all the dates to date in a period
   r. Calculate food cost percentage for any one day and for all the days to date in a period.
   s. Prepare a daily report of food sales, food cost, and food cost percentage.
   t. Determine book inventory value.
   u. Identify various causes for differences between book inventory value and actual inventory value.
   v. Explain how computers can be used for generating daily food cost reports.

2. **Learning Activities:**
   
   a. Classroom lecture/discussion
   b. On line Instruction
   c. Homework and other assignments designated by the instructor

B. **Unit Four:** Chapter 10: Monitoring Foodservice Operations III: Actual Versus Standard Food Cost; Chapter 11: Menu Engineering and Analysis; Chapter 12:
Controlling Food Sales.

1. Unit Objectives: Upon successful completion of this unit, the student will be able to:

   a. Define standard cost and explain how it is calculated.
   b. Describe how to use a Menu Pre-Cost and Abstract form.
   c. Define potential savings and list several conditions that affect it.
   d. Distinguish between daily and periodic calculation of standard cost and potential savings.
   e. Complete a menu engineering worksheet and analyze the resulting information.
   f. Define the terms star, dog, plow-horse, and puzzles.
   g. List and explain the three goals of sales control.
   h. Describe the two principle means of maximizing profits
   i. Describe two principal means of selling products effectively in a restaurant.
   j. Explain the importance of revenue control.
   k. List and explain the three standards established to achieve the goals of revenue control.
   l. List and describe five standard procedures for controlling revenue.

2. Learning Activities:

   a. Classroom lecture/discussion
   b. Online Instruction
   c. Homework and other assignments designated by the instructor

E. Unit Five: Chapter 13: Beverage Purchasing Control; Chapter 14: Beverage Receiving, Storing, and Issuing Control; Chapter 15: Beverage Production Control.

1. Unit Objectives: Upon successful completion of this unit, the student will be able to:

   a. List and describe the three principal classifications of beverages.
   b. Identify classifications of beers and distinguish between them and identify color classifications of wines.
   c. Outline the processes for brewing beer and fermenting alcoholic beverages.
   d. Explain the purpose of the distillation process.
   e. Explain the difference between call brand, and pouring brands.
   f. Identify the principal factors one must consider before establishing quality standards for beverages.
   g. Identify eight principal factors used to establish quantity standards for beverages.
   h. Explain the difference between license states and control states.
   i. Identify the two principal methods for determining order quantities and
calculate order quantities using both methods.

j. Describe several ways computer programs assist in calculating inventory balances and inventory usage.

k. Describe one standard procedure for processing beverage orders in large hotels and restaurants. Use standardized recipes for all alcohol drinks.

l. List and explain the various standards necessary for establishing control over beverage receiving, storing, and issuing.

m. Describe the standard receiving procedures for beverages.

n. List the types of information contained in a beverage receiving report and explain the report’s use.

o. Describe the procedures used to organize beverage storage facilities.

p. List three types of bars and describe their differences.

q. Define a requisition system and describe its use in beverage control.

r. Describe the standards and standard procedures necessary for establishing control over beverage production.

s. List four devices and means used to standardize quantities of alcoholic beverages used in beverage productions.

t. Describe the use of standardized glassware in beverage control and the importance of stipulating specific glassware for each drink.

u. Explain the significance of standard drink recipes in beverage control.

v. Calculate the standard cost-to-sales ratio for any drink, given its standard cost and sales price.

w. Explain why bar operations should be monitored frequently.

2. Learning Activities:

a. Classroom lecture/discussion

b. Online Instruction

c. Homework and other assignments designated by the instructor

F. Unit Six: Chapter 16: Monitoring Beverage Operations; Chapter 17: Beverage Sales Control.

1. Unit Objectives: Upon successful completion of this unit, the student will be able to:

a. Identify the three general approaches to monitoring beverage operations.

b. Calculate the value of liquor issued to a bar, bar inventory differential, and cost of liquor consumed.

c. Calculate cost of beverages sold and beverages cost percentage, both daily and monthly.

d. Calculate daily and monthly cost and cost percentages for wines, spirits, and beers separately.

e. Calculate potential sales values by the average sales value method and the standard cost method.

f. Identify two types of computer programs that can be used in monitoring beverage operations.
g. List and explain the three goals of beverage sales control.

h. Identify five explanations given by customers for patronizing establishments that serve drinks.

i. Describe two methods that can be used to maximize profits in beverage operations.

j. Name ten work practices considered unacceptable at bars because they inhibit the ability of bar managers to institute effective revenue control.

k. Describe the essential features of a pre-check system.

2. Learning Activities:

a. Classroom lecture/discussion
b. Online Instruction
c. Homework and other assignments designed by the instructor.

G. Unit Seven: Chapter 18: Labor Costs Considerations; Chapter 19: Establishing Performance Standards.

1. Unit Objectives: Upon successful completion of this unit, the student will be able to:

a. Define employee compensation and list the principal types of compensation common in food and beverage operations.

b. Explain the difference between direct and indirect compensation.

c. Explain why each of the following is a determinant of labor cost or labor cost percentage; labor turnover rate, training, labor legislation, labor contracts, use of part-time staff, outsourcing, sales, volume, location, equipment, layout, preparation, service, menu hours of operations, weather, and competent management.

d. Track employee hours using a time sheet, time card, or an electronic method.

e. Explain why minimizing dollar wages is not the same as labor cost control.

f. Define labor cost control.

g. Identify the three steps used to establish standards and standard procedures for employees.

h. Explain the need for an organizational plan.

i. Describe an organization chart.

j. Define the phase job description and identify its three parts.

k. Explain the difference between variable-cost personnel and fixed-cost personnel.

l. Identify the three steps used to establish standards and standard procedures for employees.

m. Explain the need for an organizational plan.

n. Describe an organization chart.

o. Define the phrase job description and identify its three parts.
p. Define the phrase job analysis, and explain its importance in developing job descriptions and making employment decisions.
q. Explain the difference between variable-cost personnel and fixed-cost personnel.
r. Explain the difference between the scheduling of variable-cost personnel and the scheduling of fixed-cost personnel.
s. Describe how to prepare an hourly schedule for variable-cost personnel using records of business volume.

3. Learning Activities:

a. Classroom lecture/discussion
b. Online Instruction
c. Homework and other assignments designed by the instructor

H. Unit Eight: Chapter 20: Training Staff; Chapter 21: Monitoring Performance and Taking Corrective Action.

1. Unit Objectives: Upon successful completion of this unit, the student will be able to:

a. Define training, and explain the difference between training and education.
b. Identify the objectives of training.
c. List and explain the ten elements commonly covered in a training plan.
d. Describe the advantages and disadvantages of centralized and local training for multiunit organizations.
e. Identify the four content areas normally included in training manuals.
f. Define the term monitoring as it is used in labor cost control.
g. Explain the difference between direct and indirect monitoring of employee performance.
h. Identify the two types of direct monitoring and provide examples of each.
i. List and describe four sources of information used for indirect monitoring.
j. List and describe the three general causes of discrepancies between actual performance and that anticipated by standards.

4. Learning Activities:

a. Classroom lecture/discussion
b. Online Instruction
c. Homework and other assignments designed by the instructor.